

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company to issue, sell, and deliver one or more series of Debt Securities and to guarantee the obligations of others in respect of the issuance of Debt Securities, the total aggregate principal amount of such long-term indebtedness and guarantees not to exceed \$2 billion; to execute and deliver one or more indentures; to sell, lease, assign, mortgage, or otherwise dispose of or encumber utility property; to issue, sell and deliver in one or more series, an aggregate amount not to exceed \$200 million par or stated value of First Preferred Stock -- \$25 Par Value; to issue an aggregate \$2.0 billion of short-term debt obligations; to utilize various debt enhancement features; enter into interest rate hedges; and for an exemption from the Commission's Competitive Bidding Rule. (U 39 M)

Application 04-05-041
(Filed May 27, 2004)

**ADMINISTRATIVE LAW JUDGE'S RULING
REQUIRING ADDITIONAL INFORMATION PERTAINING TO
THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)**

In Application (A.) 04-05-041, Pacific Gas and Electric Company (PG&E) requests authority to issue \$2.7 billion of new debt and preferred stock. PG&E states in A.04-05-041 that it intends to use the proceeds for, among other things, the following:

- Finance capital expenditures such as upgrades to (i) retained generation assets, and (ii) gas and electric transmission and distribution facilities.
- Finance new generation.
- Finance advanced meter infrastructure.

This ruling requires PG&E to file a supplement to A.04-05-041 that provides the following information:

1. Will the proceeds from the debt and preferred stock issued pursuant to A.04-05-041 be used to finance the construction of new facilities? If yes, please provide the following information:
 - a. A detailed description of the new construction that will be financed with the proceeds from debt and preferred stock issued pursuant to A.04-05-041. This description shall:
 - i. Address how much of the new construction is (A) known and defined, and (B) speculative.
 - ii. Describe in detail the nature of the anticipated upgrades to existing facilities.
 - iii. Describe the physical activities involved in developing the contemplated new generation.
 - iv. Describe the physical activities involved in developing advanced meter infrastructure.
 - v. Indicate the anticipated time frame for undertaking and completing the new construction activities for which financing approval is being sought.

- b. A detailed description regarding whether, and to what extent, it is unnecessary to conduct a CEQA review of the new construction to be financed pursuant to A.04-05-041 because of one or more of the following reasons:
 - i. PG&E has explicit authority under its existing Certificate of Public Convenience and Necessity (CPCN) to proceed with the new construction without further environmental review.
 - ii. The new construction is exempt from CEQA.
 - iii. Other governmental bodies have already conducted a CEQA review of the new construction.
2. Please provide a proponent's environmental assessment for any new construction not covered by (i) PG&E's existing CPCN, (ii) CEQA exemptions, or (iii) CEQA review conducted by other governmental bodies.

PG&E shall file a supplement containing the above information and documents at the Commission's Docket Office by no later than August 13, 2004. The contents of the supplement shall be verified in accordance with Rule 2.4 of the Commission's Rules of Practice and Procedure. PG&E shall email an electronic copy of the supplement to the assigned Administrative Law Judge (ALJ) at tim@cpuc.ca.gov. The electronic copy should be in Microsoft Word, if possible. PG&E shall also provide a hardcopy of the supplement to the ALJ.

Therefore, **IT IS RULED** that:

1. By August 13, 2004, Pacific Gas and Electric Company (PG&E) shall file at the Commission's Docket Office a supplement to Application 04-05-041 that contains the information and documents specified in the body of this ruling.
2. The contents of the supplement shall be verified in accordance with Rule 2.4 of the Commission's Rules of Practice and Procedure.

3. PG&E shall email an electronic copy of the supplement to the assigned Administrative Law Judge (ALJ) at tim@cpuc.ca.gov. The electronic copy should be in Microsoft Word, if possible. PG&E shall also provide a hardcopy of the supplement to the ALJ.

Dated August 2, 2004, at San Francisco, California.

/s/ TIMOTHY KENNEY

Timothy Kenney
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Administrative Law Judge's Ruling Requiring Additional Information Pertaining to the California Environmental Quality Act on all parties of record in this proceeding or their attorneys of record.

Dated August 2, 2004, at San Francisco, California.

/s/ JANET V. ALVIAR

Janet V. Alviar

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, *e.g.*, sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.